

Supporting arguments for the proposal to change the BoN fees and termination terms

The Board of Nominees is proposing a number of changes to the remuneration of its members and a change to their terms of termination as follows:

- The current gross remuneration for all members of the Board is RON 24,123 per month and this fee was last increased on 1.1.18 to reflect increases in Romanian social contributions that Romanian resident Board members needed to pay. Prior to that no change had been made to the remuneration level since 2014. The Board of Nominees believes that the current fee level does not adequately compensate individual Board members or the Chairpersons of the Board and of its two Committees (the Audit and Valuation Committee and the Nomination and Remuneration Committee) for their time involvement in supervising the management of the Company. This is particularly the case in relation to the time spent by them in overseeing the ongoing divestment of portfolio companies and the return of capital to shareholders, the preparation and release of quarterly accounts of the Company and the requirement for the renewal of the Company's Investment Management Agreement every two years.

Accordingly the Board of Nominees is proposing that, with effect from 20 April 2022:

- the gross monthly base remuneration for Board of Nominees members to be increased to RON 26,535.30, which shall be adjusted each year with the positive rate of inflation registered in the previous year;
 - an additional fixed gross monthly remuneration of twenty-five (25) per cent of the gross monthly base remuneration shall be paid to the Chairperson of the Board of Nominees; and
 - an additional fixed gross monthly remuneration of twenty (20) per cent of the gross monthly base remuneration shall be paid to the Chairperson of the Audit and Valuation Committee and to the Chairperson of the Nomination and Remuneration Committee, respectively.
- If such increases are approved by Shareholders, the remuneration of the Board of Nominees which normally comprises five members would increase 24.3% from RON 1,447,380 to RON 1,799,093 in a full financial year.
 - The employment terms of each member of the Board currently require either them or the Company to give 15 working days advance notice to terminate their three year term of office. The Board of Nominees believe that this notice period is too short to enable it to manage changes of members efficiently given the long lead time required to call a Shareholder General Meeting in order to seek nominations from Shareholders and vote on replacement Board members and they are therefore proposing to extend the termination notice period to three months with effect from the date of this OGM

for the four current Board members and to introduce this change into the terms of all future appointment terms of Board members.

Ilinca von Derenthall

Chairperson of the Board of Nominees